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November 5, 2014

Item # 19

**AGENDA DATE: 11/05/14
SUPPLEMENTAL # 6**

Mayor Steve Tate and City Council
City of Morgan Hill, City Hall
17575 Peak Avenue
Morgan Hill, CA 95037

RE: Agricultural Lands Preservation Program and Southeast Quadrant Land Use Plan

Honorable Mayor Tate and Members of the Morgan Hill City Council,

On behalf of Greenbelt Alliance, I respectfully submit these comments on the City of Morgan Hill's Agricultural Lands Preservation Program (ALPP) and Southeast Quadrant (SEQ) Land Use Plan. Greenbelt Alliance is the champion of the places that make the Bay Area special. We bring people together to ensure the right development happens in the right place. For over ten years, we have weighed in on the City's plans for nearly 1,300 acres of working farms in the Southeast Quadrant. We do not support the direction in which the City is heading and encourage you as decision-makers to consider our comments one last time.

1. City-centered growth

Greenbelt Alliance has long stated that Morgan Hill can have the best of both worlds- a charming, bustling downtown surrounded by jobs and homes and a protected greenbelt of open spaces and working farms. Focusing new development around your business district and Caltrain station makes the best use of existing infrastructure, supports local businesses and allows for continued investment in the heart of your community. This is a smart way to plan for future growth in the face of shrinking city budgets.

This development pattern is promoted at the regional level with [Plan Bay Area](#) which supports accommodating new homes and jobs within existing city limits. Plan Bay Area provides a strategy for meeting 80 percent of the region's future housing needs in Priority Development Areas (PDAs). These are neighborhoods within walking distance of frequent transit service, offering a wide variety of housing options, and featuring amenities such as grocery stores, community centers, and restaurants. [Morgan Hill's downtown](#) has been identified as a PDA- Transit Town Center.

By accommodating growth in PDAs, it allows the region to protect and invest in its working landscapes. At the County level, the Santa Clara County [Food System Alliance](#) recently conducted a Food System

Assessment. The Alliance's purpose is to find creative, win-win solutions to build a more sustainable, effective, and accessible food system.

Among the findings in the Assessment were the following:

- 25 different agricultural commodities grown in the county exceeded \$1,000,000 in crop value in 2012.
- A new agricultural marketing campaign- Buy Fresh Buy Local Santa Clara Valley- was recently launched to raise awareness of locally grown food and increase local farmers' incomes.
- 55% of the county's remaining farmland is at risk of being developed over the next 30 years.

Together, Plan Bay Area and the Food System Alliance represent a significant shift away from outdated development patterns which saw productive farmland carved up for other uses, usually low density residential, commercial and industrial uses. The landowners and Urban Limit Line committee's original intent for the SEQ was a mix of industrial, commercial, residential and open space uses. This evolved as it became apparent that there was more than enough land to accommodate those uses within city limits. Greenbelt Alliance recognizes that one of the City's stated reasons for annexing the SEQ today is to allow for more sport-recreation-leisure uses.

2. Sports-Recreation-Leisure (SRL): The reason for the Southeast Quadrant

Morgan Hill is a recreation destination thanks to amenities like Henry Coe State Park, the Morgan Hill Aquatics Center and Outdoor Sports Center. Naturally, the City would like to capitalize on this further and answer the need for additional sports fields. This in and of itself is a laudable goal, but we question the need to annex hundreds of acres within the city's greenbelt to achieve it.

Greenbelt Alliance suggested a viable alternative (attachment A- Google Drive) that addresses the City's desire for SRL uses when we submitted comments on the Draft Environmental Impact Report. This alternative vision was completely ignored by the City. We envision an alternative in which recreation facilities are built within existing city limits on vacant and underutilized land. A multi-use trail system connects recreation facilities to existing schools, parks, community centers, and to the downtown Caltrain station. This integrates SRL uses throughout the city instead of locating them all on the east side of Highway 101. If the City of Morgan Hill is serious about its goal to provide SRL uses to its residents and the community beyond, it would carefully review our map to see what is viable. The General Plan update affords a wonderful opportunity to do this now.

In fact, the City of Morgan Hill's own [Opportunity Sites list](#) and [map](#) point to hundreds of acres that can accomplish the City's goal of SRL uses within city limits. For example,

- Opportunity Site 5 is 46 acres of open space. The General Plan calls for this to be residential at 1-5 units per acre
- Opportunity Site 24 is 28 acres of vacant land. The General Plan calls for changing the land use designation from Industrial to Multi-Family Low (5-14 units/ acre)

If Morgan Hill pursued slightly higher residential densities on sites within the downtown core and was more creative with parking policies (reduced, stacked, underground, shared), acres of land within city limits would become available for soccer fields, bocce ball courts, tennis courts, bike trails, picnic areas and more. Morgan Hill's admirable commitment to recreation in pursuit of an active and healthy community does not need to come at the expense of local agriculture.

3. Does Morgan Hill want an Agricultural Mitigation Policy or viable small-scale agriculture?

In letters dating back to 2008, Greenbelt Alliance consistently spoke up for the viability of small-scale agriculture. This was confirmed by the City's own consultant Greg House. Preserving agricultural land is cited as a top priority for the City in its 2001 General Plan, the current update of the General Plan and as part of the SEQ land use plan.

The staff report to council calls out General Plan Agriculture Policy 3g: *Continue to support the long-term maintenance of agricultural land uses and agriculture as an economic enterprise in South County, since it contributes to the local economy, **helps to delineate urban boundaries**, and is a productive use for land which is **not immediately** planned for urban development.*

Also called out is Agriculture Action 3.1: *Use a variety of techniques to protect agricultural land, **including land use regulation**, urban development policy, conservation easements (with matching grant funds from appropriate agencies, where possible), and transfer or purchase of development rights.*

I have bolded three statements for the following reasons:

- Agriculture can definitely delineate urban boundaries, but the model being used in the SEQ is not a good example. If anything, the agricultural boundaries are murky at best, qualifying agricultural lands for 'desirable infill' down the road.
- Agriculture is a productive use for land in perpetuity, if the city does well to support it. Is the statement that agriculture is a productive use for land which is **not immediately** planned for urban development laying the groundwork for lands in the Ag Priority Area to be developed in the future? It can be interpreted that way, especially as much of that land is within the Urban Limit Line, and according to the staff report, the ULL signifies "the City's ultimate potential urban expansion."

- It is the City of Morgan Hill that moves forward with annexations and it has done so in a haphazard fashion over the years. This has sped up the decline of agriculture and led to pockets of farmland that qualify for ‘desirable infill’.

Actions speak louder than words. Morgan Hill can put in place an agriculture mitigation policy, but the question before us is, “Will the Agriculture Lands Preservation Policy actually preserve working farms within Morgan Hill’s Sphere of Influence?” The flawed Environmental Impact Report erroneously states that impacts to agricultural land are reduced to a less than significant level due to the ALPP, but this is false. The DEIR fails to craft an adequate mitigation to a significant impact. While the City claims that the ALPP is on a 1:1 basis and that the SEQ’s Agricultural Priority Area (APA) is the preferred location for preservation, the cost of a conservation easement ranges from \$30,000 to \$48,000 per acre while the in-lieu fee is set at \$15,000 per acre. This is clearly not a 1:1 Program, but a 1: ½ at least. Developers will choose the in-lieu fee option as it is more affordable and Morgan Hill will get half to a third of the land it should as a result. Therefore, the net loss of Prime Farmland is significant and both the draft and final EIRs failed in their task to address this impact.

Consider also that the Agricultural Priority Area, which is 678 acres according to Exhibit 2-9, includes the San Pedro percolation ponds, land with no significant agricultural value and is mostly sandwiched in between lands proposed to be a part of the City of Morgan Hill. In fact, Exhibit 2-10 shows the Urban Limit Line following Fisher Avenue and thereby includes most of the APA within it, while a second map labeled October 2014 shows the ULL encompassing the entire SEQ. There is no scientific basis for designating this land as an APA. Most of the Prime Farmland will be within the 5-year Urban Service Area or 20-year Urban Growth Boundary. Morgan Hill is repeating history and setting this land on a fast-tracked course to development.

Additionally, if Morgan Hill were to try and preserve other lands currently designated as Prime Farmland within its SOI (per the maps provided to the Planning Commission at their August 12 meeting), one would need to compare them to the [General Plan Preferred Land Use Map](#), which in nearly every case, has designated those Prime Farmlands for other land uses.

4. Morgan Hill 2035: Planning for the future without the full picture

After several years of planning for Coyote Valley for the third time and releasing a highly flawed Environmental Impact Report, the City of San Jose decided to take a step back and instead focus on a citywide General Plan update. During the General Plan update, it was decided that most of Coyote Valley would be off limits to development, marking a significant sea change from the previous administration. Now, San Jose is accommodating growth through urban villages and accessing transportation dollars that support better land use planning.

Morgan Hill, on the other hand, is updating its General Plan and precluding any discussion of the SEQ from the General Plan Advisory Committee's (GPAC) agenda. This indicates a determination to annex and develop the SEQ with SRL and other uses instead of holding a community wide discussion about what is best for the future of Morgan Hill for all.

5. USA vs. UGB vs. ULL

Confusing the situation even further is the city's misguided decision to create an Urban Limit Line in the first place. An Urban Service Area (USA) is a 5-year boundary; an Urban Growth Boundary (UGB) is a 20-year boundary and an Urban Limit Line (ULL) is a 50-year boundary.

Portland, Oregon, the model for smart growth in the United States, has had an Urban Growth Boundary since 1973. Land inside the urban growth boundary supports urban services such as roads, water and sewer systems, parks, schools and fire and police protection. The boundary promotes the efficient use of land, public facilities and services inside the boundary, while protecting farms and forests beyond it.

Every six years, the Metro Council must review and report on the land supply in the Urban Growth Report. Metro prepares a forecast of population and employment growth for the region for the next 20 years and, if necessary, adjusts the boundary to meet the needs of growth forecast for that 20-year period. The Portland area urban growth boundary has been expanded about three dozen times since it was first drawn and the Metro area has never seen the need to create an Urban Limit Line.

One of Greenbelt Alliance's most successful campaigns was putting in place voter-approved UGBs in Sonoma County. The cities do not have ULLs. Multiple boundary lines are unnecessary and confusing. By creating an ULL, the City is indicating that at some point this land will be urbanized, stirring up expectations and thwarting opportunities for preservation of working lands. This has been demonstrated with the proposed SEQ boundary adjustments. What started out back in 2001 with the intent to create a greenbelt has led to efforts to include Morgan Hill's buffer lands within growth boundaries. Land that had been outside the USA and UGB, is now suddenly within both plus an ULL. This does not support orderly growth nor the efficient distribution of services.

Community Development Policy 3e states: *The Urban Limit Line should be continuous around the City and located outside of or coterminous with the city limits and Urban Growth Boundary. Greenbelt areas should be located outside of the ULL.* This is one too many lines and apparently any land within the ULL (aka Agricultural Priority Area) is fair game for urbanization.

6. The SEQ is not the same as San Martin

Morgan Hill has stated that its reason for annexing these lands is because it is fearful that the County of Santa Clara will allow the SEQ to deteriorate into rural residential like San Martin. San Martin has a

formal designation of Rural Residential which can allow one dwelling unit per 2.5 acres. Most of the SEQ is Exclusive Agriculture with a 20 acre minimum. While a primary dwelling unit is an allowable use, it is incorrect to characterize the land as rural residential. When a city uses its boundary lines appropriately, there is a natural reduction in densities radiating out from the downtown core. However, if there are multiple lines that create peninsulas of county land, the land will look more like a hodgepodge of densities.

7. Desirable Infill

It is interesting to note that while Morgan Hill is pursuing defensive annexations to prevent the land from deteriorating under County rules, the City of Morgan Hill has expressed disdain for advocates' concerns that actions related to cleaning up illogical boundaries along Monterey Road/ South of Watsonville Road could spell disaster for the SEQ. It was the City of Morgan Hill that allowed urban uses immediately adjacent to farmland along Monterey Road. This action created illogical boundaries that later set the stage for compliance with the city's Desirable Infill Policy.

Surrounding the Agricultural Priority Area with land in the USA or UGB or both also sets the stage for the APA to qualify for the city's Desirable Infill Policy and be annexed and developed down the road. These concerns are well-founded and based on recent history.

Once within city limits, land owners may find that certain SRL uses are not as profitable as desired and may seek to develop their land with more lucrative residential and commercial uses, as originally intended.

Conclusion

Overall, the SEQ Land Use Plan is vague and confusing and the ALPP fails in its stated goal to preserve working farms. The multiple maps show varying boundary lines and confound the situation further. Just because the City has worked on this for ten years does not mean that you move forward and adopt something, anything. What is before the Council is not in the best interest of Morgan Hill residents overall. Taking a step back and considering the city's need for homes, jobs, parks and recreation as part of the General Plan update would be a wise move.

This is the old paradigm of land use planning and perhaps our biggest concern is that the ALPP will be put in place, Prime Farmland will be developed, mitigation dollars will be collected, and yet there will be no land of value to protect within Morgan Hill's Sphere of Influence. Residents cherish Morgan Hill because of its rural, small town feel. That can be protected better by allowing for a traditional town center with three and four story buildings as opposed to sprawling onto your remaining farmland. All Morgan Hill needs to do is look to its neighbor to the north to see the result of endless annexations. Does Morgan Hill want to emulate San Jose?

Greenbelt Alliance supports the concept of a Transfer of Development Rights program. However, this program is undeveloped even though it is central to one of the SEQ Land Use Plans main proposals, the Chiala property.

Lastly, hindsight is 20-20. We do not want the City of Morgan Hill left holding the purse strings for sprawl development. Back in 2006, ground was broken on the largest retail complex in Morgan Hill's history on the east side of Highway 101 off of Cochrane Road. [According to the developer](#), *"We wanted to bring the South Valley something unique—unlike large indoor malls and typical shopping centers, Miramonte Center offers South Valley residents a shopping experience they won't find anywhere else."*

This is what Miramonte Center looks like from [Google Maps](#). As you can see, productive farmland was mostly converted to surface parking lots. Target moved from one part of Morgan Hill to this location, leaving a hole in another commercial center. How is this a shopping experience you won't find anywhere else? How did this development support downtown retailers? Is this the type of innovative land use worthy of Morgan Hill?

Greenbelt Alliance sees Morgan Hill's value and charm in your tree-lined downtown and locally-owned businesses. We see the pastoral setting in your working farms and greenbelt buffers. You have a brand based on soccer, state parks, El Toro, Coyote Creek and farms like Andy's Orchard and the Chialas. We only want the best for Morgan Hill and its residents. It is never easy being an elected official and presiding over decisions like this, but we encourage you to take the long view, perhaps unpopular, but worthy of a legacy all the same.

Sincerely,



Michele Beasley
Regional Director